

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Edison Company (U 338 E) for Confirmation of the Re-Appointment of Aulana L. Peters to the Committee of Each of its Nuclear Decommissioning Trust Funds.

Application 04-11-026
(Filed November 24, 2004)

**OPINION AUTHORIZING REAPPOINTMENT TO NUCLEAR FACILITIES
DECOMMISSIONING TRUST COMMITTEES****Summary**

By this decision, we authorize the reappointment, by Southern California Edison Company (Edison), of Aulana L. Peters as a member of its two nuclear decommissioning trust fund committees (committees), for a five-year term.

Background

On November 25, 1987, in Resolution E-3057, the Commission approved Edison's two nuclear decommissioning master trust agreements (trust agreements). There is one committee for each of the two trust agreements. The same individuals are members of both committees. The committees consist of five members nominated by Edison, no more than two of whom may be affiliated with Edison. The three members from outside of the company (non-company members) are to be confirmed by the Commission. In this Application, Edison is seeking Commission authorization of the re-appointment of Peters as a non-company member of the committees.

Discussion

Peters is currently one of the three non-company members. With this application, Edison nominates Peters for re-appointment. Peters' qualifications, as set forth in this application, indicate that she is a former partner in Gibson, Dunn & Crutcher LLP (GD&C), whose practice involves the area of securities litigation.¹ Among other qualifications, she is a member of the New York Stock Exchange's Market Regulatory Advisory Committee and served as a Commissioner with the Securities and Exchange Commission [1984-1988]. She obtained a law degree cum laude from the University of Southern California in 1973. Peters has indicated her willingness to serve on the committees, and has agreed to comply with the requirements and restrictions on the non-company members, as contained in the trust agreement for each of the funds.

In Decision (D.) 00-07-034, the Commission expressed its concern with Edison's nomination of Peters as a non-company member of the committees who had a financial relationship with Edison.² The purpose of non-company members is to ensure the independence of the majority of the committee from Edison. The Commission recommended that in the future Edison should avoid even the appearance of conflict by nominating non-company members who have no financial relationship with Edison. The Commission confirmed her nomination but required that certain safeguards be instituted to ensure that no financial conflicts of interest would interfere with the discharge of her responsibilities as a non-company member.

¹ Edison has not incurred any fees for services performed by GD&C in 2004.

² Peters was a partner at GD&C, which provided significant legal services to Edison in 1999; prior to D.00-07-034, Peters had not worked on Edison legal matters.

To protect against any financial conflicts of interest while serving on the committees, Peters was required to not participate in any committee decisions concerning the hiring of legal services. In addition, Peters could not perform any legal services for Edison or its affiliates, or in connection with the underwriting of the securities of Edison or its affiliates. Edison was required to notify the Commission if the scope of the business transactions between GD&C and Edison or any of Edison's affiliates increase significantly.

We have reviewed Peters' qualifications and find them more than sufficient. Given Peters' qualifications and her past service on the committees, we will authorize her appointment. However, we will impose some restrictions as discussed below.

Peters is retired from GD&C, and has no further involvement in its day-to-day activities. However, she is "of counsel" for GD&C, which means that she may occasionally serve on a consulting basis. The fact that she has retired from GD&C, and that Edison conducted no business with GD&C in 2004, alleviates most of the concerns expressed in D.00-07-034 regarding her relationship with GD&C. However, she still retains some involvement with GD&C, and serves on the boards of directors of several companies. Therefore, we will require that she not participate in the committees' decisions if such companies or GD&C are in any way involved.

Fee and Compensation Arrangements

Edison proposes that the current fee and compensation arrangements that were previously approved by the Commission for non-company members be continued for Peters. Having determined previously that the fee and compensation arrangements were reasonable, we see no reason to change them at this time and will allow them to continue.

Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Categorization and Need for Hearings

In Resolution ALJ 176-3144 dated December 16, 2004, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. There is no apparent reason why the application should not be granted. Given these developments, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

Assignment of Proceeding

Geoffrey F. Brown is the Assigned Commissioner and Jeffrey P. O'Donnell is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Notice of the application appeared in the Daily Calendar on December 2, 2004.
2. This is a ratesetting proceeding.
3. No protests have been filed.
4. A hearing is not required.
5. Edison's trust agreements require Commission confirmation of the appointment on non-company committee members.
6. Peters is qualified and willing to serve as a member of Edison's committees.
7. The fee and compensation arrangements currently applicable to non-company committee members should continue to apply.

Conclusions of Law

1. Peters' confirmation as a non-company member of the committees should be granted, and effective immediately in order to allow the committees to function effectively.
2. While serving on the committees, Peters should not perform services for Edison or its affiliates other than those within the scope of her duties as a member of the committees, and should not participate in the committees' decisions involving GD&C, or companies in which she serves as a board member or in any other capacity.
3. This order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. Aulana L. Peters is confirmed to serve as a non-company member of Southern California Edison (Edison) Company's two nuclear decommissioning trust committees (committees) for a term of five years.
2. The current fee and compensation arrangements for non-company committee members shall continue until revised through the process set forth in the nuclear decommissioning master trust agreements.
3. While serving on the committees, Peters shall not participate in the committees' decisions involving Gibson, Dunn & Crutcher LLP, or companies in which she serves as a board member or in any other capacity.

4. Application 04-11-026 is closed.

This order is effective today.

Dated _____, at San Francisco, California.